VZCZCXRO1278 OO RUEHROV DE RUEHNR #1041/01 1091000 ZNR UUUUU ZZH O 181000Z APR 08 FM AMEMBASSY NAIROBI TO RUEHC/SECSTATE WASHDC IMMEDIATE 5537 INFO RUCNIAD/IGAD COLLECTIVE RUEHDS/AMEMBASSY ADDIS ABABA 0049 RUEHDR/AMEMBASSY DAR ES SALAAM 5938 RUEHDJ/AMEMBASSY DJIBOUTI 5236 RUEHKM/AMEMBASSY KAMPALA 2769 RUEHKH/AMEMBASSY KHARTOUM 2015 RUEHLO/AMEMBASSY LONDON 2789 RUEHFR/AMEMBASSY PARIS 2711 RHMFIUU/CDR USCENTCOM MACDILL AFB FL RHMFIUU/CJTF HOA

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SUBJECT: KENYA'S CABINET SWORN IN: AN OVERVIEW

REF: A. NAIROBI 999

_B. NAIROBI 989

¶C. NAIROBI 960 AND OTHERS

SUMMARY

11. (U) Ending weeks of contentious in-fighting between President Kibaki's Party of National Unity (PNU) and Prime Minister Odinga's Orange Democratic Movement (ODM), Kenya's expanded cabinet was sworn in today, April 17, with much pomp and ceremony. As announced by the President on April 13 (see refs A and B), the 40 ministries are evenly split between PNU, its affiliates, and ODM. Odinga was appointed Prime Minister. ODM's Musalia Mudavadi and KANU's Uhuru Kenyatta were appointed Deputy Prime Ministers. PNU kept a number of important ministries (Internal Security, Defense, Finance, Justice, and Foreign Affairs), but ceded Local Government and Public Service. Civil society has criticized the size of the new government as inefficient and expensive. The government takes regional and ethnic balance into account and broadly reflects Kenya's demographics. Gender balance also factored and seven women ministers were named. A couple of ministers named have been implicated in alleged corruption and other scandals. Many ministers have worked together in the past, but there are still major questions about how well the coalition will function. Key issues, such as the exact powers of the Prime Minister, the delineation of powers of the ministries, and appointments of senior civil service members, still need to be resolved. These issues will be key in determining the ability of the new government to function effectively and we remain heavily engaged in helping the parties address these issues. End Summary.

Finally, White Smoke Appears...

12. (U) After weeks of negotiations, the cabinet deal was finally announced to an expectant nation on April 13 (reftels) and, amid much pomp and ceremony, cabinet members were finally sworn in this afternoon, April 17. Raila Odinga was named Prime Minister, with ODM's Musalia Mudavadi and Uhuru Kenyatta named as Deputy Prime Ministers. Mudavadi and Kenyatta will also hold the Local Government and Trade portfolios, respectively. Including the Prime Minister and

the Attorney General, the total size of the Cabinet is 42. The number of government ministries increased by six over the previous government. Three entirely new ministries were created -- Nairobi Metropolitan Development, Northern Kenya/Arid Lands, and Industrialization. Others were created by splitting existing ministries; Health was divided into Public Health/Sanitation and Medical Services, separate Roads and Public Works Ministries were created from what had been one ministry. The previous Livestock and Fisheries Development Ministry was also split in half. Previously every ministry had two assistant ministers; in the current government only ten ministries have two assistant ministers. Since all ministers must be sitting MPs, however, 92 out of 222 parliamentarians now serve in the executive branch. Assistant ministers were named from the opposite party as the ministers to ensure balance.

 $\underline{\mbox{1}}3.$ (U) In naming the government, Kibaki and Raila relied heavily on experienced MPs. The 70 percent turnover rate from the Ninth Parliament left a relatively shallow pool of experienced MPs. Since cabinet ministers are ineligible to sit on parliamentary committees, important legislative and oversight functions of parliament will be left largely to inexperienced MPs.

...and PNU Maintains Most of Its Ministries

14. (U) In the new government, PNU maintained control of most of the 18 ministries of the "half-government" named by President Kibaki in early January. Throughout the negotiations, ODM sought an even share of seven "power"

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ministries. In the new government, PNU maintained control over the majority of these -- Internal Security, Finance, Justice, Foreign Affairs, and Defense -- ceding only Local Government and Public Service ministries to ODM. PNU also maintained control over Energy, Home Affairs, Transport, and Housing. PNU contacts have said that the party is generally satisfied with the outcome of the negotiations, but acknowledged some hard-liners still feel too much was given

15. (U) Sixteen of the 18 ministers named by Kibaki in January were retained in the new government. Some personnel shifts were required, however. Most importantly, Uhuru Kenyatta was moved from Local Government to Trade. He was compensated by being elevated to Deputy Prime Minister. Long-time Kibaki loyalist John Michuki was moved from his post at Road and Public Works to the less prestigious Environment and Mineral Resources Ministry. Two minor ministers lost their posts; each was appointed as an assistant minister.

ODM: "We should have done better"

- 16. (U) Ministries which ODM got, such as Lands, Water/Irrigation, Public Works, Roads, and Agriculture, are key to implementing its reform and development agenda. Some ODM MPs have complained publicly about the deal. ODM spokesman Salim Lone told us that Odinga decided to put the national interest above the party's interest and accepted the "best deal he could get". Lone acknowledged that some are dissatisfied, but stated that the party was dedicated to making the government work.
- $\underline{\mbox{1}} \mbox{7.}$ (U) All of the key ODM party leadership ("the Pentagon") and negotiating team members received ministerial posts. Pentagon member (and Rift Valley kingpin) William Ruto was appointed Minister of Agriculture. This position gives him a key role in restarting agricultural production affected by the post-election violence. He will also control 22

parastatal corporations. This will present the challenge and opportunity -- of resettling hundreds of thousands of Kikuyu farmers driven out of the Rift Valley by Ruto's Kalenjin tribesmen during the post-election crisis. The PNU and Kibaki were not happy about Ruto's appointment because they allege he was responsible for anti-Kikuyu violence in Rift Valley. However, Kibaki did not seek to veto the appointment.

Civil Society Criticizes "Bloated" Government

 $\underline{\ }$ 8. (U) Civil society groups criticized the new government as bloated and expensive. During the negotiations, civil society groups had demanded a government of not more than 25 ministries. This demand was echoed by segments of the media, particularly the influential Daily Nation newspaper, which proposed a 24 member government. In the end, Kibaki and Odinga ignored these calls. After the announcement, groups criticized the cost of such a large government given the problems that Kenya faces. They also condemned Kibaki and Odinga for rewarding tribal leaders. For their part, Kibaki and Odinga argued that a large government was required to ensure regional balance and harmony.

Regional, Ethnic, and Gender Balance -----

- 19. (U) The new government broadly reflects regional and ethnic balance. Rift Valley Province received nine ministerial positions, while Western received eight, followed by Nyanza and Eastern Province with six each. Central Province got five ministerial positions, Coast Province got four, while North Eastern and Nairobi each received two.
- (U) On ethnic balance, the GEMA grouping (Kikuyu, Embu, Meru) has nine ministerial positions, while Kalenjin/Maasai

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received eight, followed by Luhya with seven (eight, including the Attorney General). There are five Luo Ministers and five Muslim ministers. There are three Kamba ministers, while western Bantu groups (Kisii/Kuria) received two ministerial positions. The rest were filled from smaller ethnic groups.

111. (U) Gender balance was taken into account in government formation. The previous cabinet had one female minister. This cabinet has seven. The most important ministries held by women are Justice (Martha Karua) and Special Programs (Naomi Shaban). This significant increase still falls short of Kibaki's stated goal of 30% of posts for women, but is in proportion women's numbers in parliament.

Some Questionable Appointments

- (SBU) The new government contains some ministers and assistant ministers on both sides who have been linked to allegations of corruption, ethnic violence, and/or criminal activities. On the PNU side, Internal Security Minister George Saitoti is noted for his competence, but is also an architect and beneficiary of the Goldenberg scandal of the 1990s. Transport Minister Chirau Ali Mwakwere is allegedly involved in corruption.. Assistant Transport Minister John Harun Mwau is reputedly involved in drug trafficking.
- (SBU) Some ODM ministers also have checkered reputations. Minister of Roads Kipkalya Kones served as Roads Minister in the Moi era and was notorious for demanding bribes to award contracts. Minister of Regional Development Authorities Fred Gumo and Agriculture Minister William Ruto have been allegedly linked to corrupt public land deals.

Minister of National Heritage and Culture William Ole Ntimama is allegedly linked to both corruption and ethnic violence during the Moi era. William Ruto is also suspected of involvement in recent ethnic violence in Rift Valley and similar violence during the 1990s.

COMMENT

114. (U) There are reasons for cautious optimism. President Kibaki wants success to rebuild his international image and legacy. Prime Minister Odinga wants to prove he can govern effectively and advance his reform agenda. Many government members have worked together with success in the past: 28 current ministers or assistant ministers served in the 2001 government KANU formed with the Odinga-led NDP party. On the other hand, key issues must still be resolved, including agreement on how the powers of the prime minister to supervise and coordinate the government will be exercised vis-a-vis the president. The appointment of high-level civil servants and parastatal heads remains to be worked out. We are intensively engaged to help the parties address these issues and to support the coalition government to be effective. End Comment.

RANNEBERGER